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Recensões| Recensions

ACEMOGLU, Daron; ROBINSON, James (2019), *The Narrow Corridor. States, Societies, and the Fate of Liberty*, Penguin Publishers, New York. 576 pages.

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The newest book from Daron Acemoglu and James Robinson is an indirect sequel to their earlier volume called “Why Nations Fail”. Both books are focused on the study of institutions and states, while the newer volume centers on the themes of how states can succeed if they meet certain conditions, after getting the institutional mix correct. In some ways, there is some repetition in the book vis-à-vis the earlier book, for example on the discussion of China and authoritarianism, which is not necessarily a negative thing, given the complexity of the factors discussed and the role democracy plays in these processes. The authors do not imply that a liberal democracy is a guarantee of a functioning society, as the example of India has showcased. Instead, they maintain that it can be a crucial building block, one that needs to be constantly nurtured and maintained through societal interactions and institutional development.

In this new book perhaps the best-known proponents of institutional economics in the world today, the dynamic team of Acemoglu and Robinson, stress the role played by institutions that lead to good governance practices and accountability, perhaps even more than in their earlier work. Their study is a broad survey of various societies in history and how they have both created a strong enough of a state to keep order and ways to keep the budding Leviathan in check. In some

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ways, Acemoglu and Robinson are re-interpreting the model of government that embodies these ideals, which lead to more stable societal development. Moreover, certain universal rights of individuals are crucial to keep them engaged in the common goals of the society through certain levels of self-interest and the competition for ideas. In this way the authors are also making a strong statement to challenge the values authoritarian China represents in its quest for global economic and political dominance. They in fact keep predicting that the Chinese autocracy is destined to fail – as to when this would happen remains anyone's guess.

One of the key concepts in the book is liberal democracy, which is a concept that has aroused a plethora of renewed debate in the last 30 years, especially after Francis Fukuyama's and Samuel Huntington's work on democracies and religion in the 1990s. Acemoglu and Robinson take a more organic view of the concept and maintain that there is nothing inherently stable or automatic about such a societal contract. Stable societies always originate via social and political competition. In fact, it is constantly in flux, hence the descriptive term "narrow corridor", and thus liberal democracies need to maintain and reproduce such institutions so that they can remain on that narrow band towards societal stability and economic growth. This is perhaps the central theoretical tenet of the book, one that certainly adds to the debate in political science about the very nature of liberal democracies.

As the current academic multidisciplinary literature has established, liberal democracies are vulnerable especially early on and require a complex (and typically long) process of evolution toward stability. The authors here emphasize that such vulnerabilities are built-in into even the more mature democracies and that such societies need to ensure that its citizens feel included in these processes. Furthermore, they emphasize, similar to the early theorists of democracy, that certain types of checks and balances are pivotal in the functioning of the state, with the United States providing an example of these mechanisms. However, the authors are not blind to the weaknesses of the American model of government, which is being played out in real time in the leadup to the 2020 elections. If representatives of capital in the society, in the absence of a functional opposition, gain too much power, the system no longer works in the interests of the majority, thus creating fault lines in the polity itself. In addition, these factors would give an opportunity for an autocrat to take over, or at least increase the risk for such an event. The end result could be an exit from the so-called narrow corridor and a transition to a society in which large swaths of the citizens no longer trust "the system". Formal rules no longer coincide and interact with the informal behavior and rules. Such a gap between the formal and informal rules, as Douglass C. North has argued, could ultimately lead to a collapse of a society, i.e. civil war, or an elite-led authoritarian model in which the oligarchs rule along with the political/military leaders (as in Russia).

A key feature of this narrow corridor is the so-called Red Queen effect, based on Lewis Carroll's classic tale. The authors mean by this the situation in which the

state's power (capacity) develops in tandem with inclusive societal structures and institutions. The balance, or more accurately constant competition, between these two forces is the key to staying on the narrow corridor. Rules in the society have to be able to reinforce and guide this competition. For example, in China the Red Queen is the Communist Party elite that is able to set the rules nearly unilaterally. There is little interaction between various organizations in the society, and this creates constant friction in the political markets. Citizens are considered subjects, without an agency or political voice in the society, which reduces their incentives to participate in politics. When the Red Queen is absent, like in Argentina, the state is weak and disorganized, with a bureaucracy that is inefficient instead of innovative (with government workers that do not even show up for work, the so-called *gnocchis*). This leaves room for other elites to claim power and establish long-lasting political fiefdoms.

Well-functioning societies have ample political competition, checks and balances, and its citizens buy into the core rules of the state. One of the key features is that power should not be too concentrated, such as was in the case of the Renaissance North Italian city states like Venice. The ruling council there consisted of the most prominent merchants, with revolving members, and a doge to serve as the chief magistrate. In Europe at that time there were other players that fought against these instincts, like the rulers of emerging nation states and the Catholic Church. The successful societies like the Netherlands and Great Britain were able to create their own paths toward key institutions, such as a legal system that treated people equally (more or less), parliaments, financial markets, banks, public debt, and so on. This required the elites to share power and create lasting formal institutions to guarantee the rights of certain groups and individuals. They also became the models for most Western nations to follow.

This book is also connected to an emerging debate about state capacity: what it is, how it can be measured, how it relates to military, monetary, and other forms of capacity, and so on. This is a literature that is crucial in order to understand how states evolve and what implications these transitions have. One of the questions that Acemoglu and Robinson is *not* engaging in concerns the shift of states over time from one form to another, for example from military states to welfare states. This of course is directly related to the narrow corridor they describe. Does military capacity have to precede a transition to a welfare state? If so, how and why? Furthermore, the current discussion about state capacity does not take into account enough what was going on at the local and regional levels, wherein we began to see the early forms of welfare provision especially among the Nordic societies. Finally, this debate does not, nor do Acemoglu and Robinson, discern the impacts that spending on various items might have versus the measurement of state capacity by revenue collection figures alone. These factors will add more meat around the central argument in the book, about how states evolve along the narrow corridor.

Overall, this book is another key contribution on the topics of state development and capacity, historical trajectories, and the roles various institutional arrangements play in the successful development of societies. It has a wide variety of historical and current-day examples that are well narrated and thought out. This makes the book an engaging read, albeit not quite as surprising or original than perhaps its predecessor, "Why Nations Fail". Regardless, we would recommend this book as a fun read, and as a book that can stimulate discussions about big issues in the development of the modern world.